GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:330
ANSWERED ON:09.08.2016
Interest Burden on Urea Producers
Jardosh Smt. Darshana Vikram

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is aware of huge interest burden on the urea producers and if so, the details of the interest accumulated during the last three years, PSU and Cooperative Sector-wise;

(b) whether the Government is also aware of problems faced by the urea producers including delay in reimbursement of subsidy as a result of which they have to resort to bank loans and the subsidy burden is carried forward from year to year and if so, the details thereof;

(c) whether the Ministry has approached the Ministry of Finance for a Special Banking Arrangement in the current financial year to provide relief to urea companies; and

(d) if so, the details and present status thereof?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND PARLIAMENTARY AFFAIRS

(SHRI ANANTHKUMAR)

(a) & (b): Due to delay in subsidy payments, the urea units may be facing problems and there may be interest burden on them, details of which are not maintained by the Department of Fertilizers.

(c) & (d): Normally Ministry of Finance is requested to allocate more funds in the supplementary budget. However, in case the funds are not provided by Ministry of Finance, Ministry of Finance is requested to allow Department of Fertilizers to avail loans through PSU Banks under Special Banking Arrangement. Such situation has not arisen as yet.

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